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City and County of San Francisco

UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

In re:

PG&E CORPORATION,

-and-

PACIFIC GAS & ELECTRIC COMPANY,

Debtors,

- ☐ Affects PG&E Corporation  
☐ Affects Pacific Gas and Electric Company  
☒ Affects both Debtors

*All papers shall be filed in the Lead Case,  
No. 19-30088 (DM)*

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Case No.: 19-30088-DM

Chapter 11

**JOINDER OF THE CITY AND  
COUNTY OF SAN FRANCISCO TO  
INITIAL OBJECTION OF THE  
OFFICIAL COMMITTEE OF TORT  
CLAIMANTS TO MOTION OF  
DEBTORS PURSUANT TO 11 USC  
§§105(a), 363 AND 503(c) FOR ENTRY  
OF AN ORDER (I) APPROVING  
SHORT-TERM INCENTIVE PLAN  
AND (II) GRANTING RELATED  
RELIEF.**

DATE: April 9, 2019 (continued date)  
TIME: 9:30 am  
PLACE: Courtroom 17  
450 Golden Gate Avenue, 16<sup>th</sup> Fl.  
San Francisco, California  
JUDGE: Hon. Dennis Montali

RELATED DOCKET NOS: 782, 806 & 847

1 The City and County of San Francisco (“**San Francisco**”) in the above-captioned chapter 11  
2 cases of Pacific Gas and Electric Company (the “**Utility**”) and PG&E Corporation (“**PG&E**” and,  
3 together with the Utility, the “**Debtors**”), hereby joins, as further described herein, in the Initial  
4 Objection of the Official Committee of Tort Claimants (the “**Tort Committee Initial Objection**”)  
5 [Docket No. 847] to Motion of Debtors Pursuant to 11 U.S.C. §§ 105(A), 363, and 503 (C) for Entry  
6 of Order (I) Approving Short-Term Incentive Plan and (II) Granting Related Relief [Dkt. No. 782 and  
7 No. 806] (the “**Motion**”).

8 While San Francisco generally concurs with the Tort Committee; as described below, it is  
9 particularly concerned regarding the specific matter described in paragraph 6 of the Tort Committee  
10 Initial Objection. San Francisco understands that the Tort Committee will undertake discovery  
11 regarding the Motion and additional objections will be filed by the Tort Committee at a later date.  
12 San Francisco files this joinder to preserve its rights to object to the Motion on the specific grounds  
13 set forth herein and to reserve its right to present further objections based on the results of the  
14 discovery to be undertaken by the Tort Committee.

15 In support hereof, San Francisco respectfully represents as follows:

16 **JOINDER**

17 San Francisco’s interest in the Motion is both as a creditor and on behalf of the Utility’s  
18 ratepayers in San Francisco.

19 San Francisco joins the Tort Committee Initial Objection in the issue identified in paragraph 6  
20 regarding the additional information required to determine whether bonuses are appropriate, and to  
21 whom they should be paid. San Francisco agrees that more and adequate information is required  
22 before the court considers acting on the Motion. Further, any incentive program should be designed  
23 to enhance safety and reliability and preserve funds for creditors, not reward management employees  
24 who bear responsibility for the Debtors’ financial condition.

25 More specifically, San Francisco maintains that the 2019 Short-Term Incentive Program  
26 (“**STIP**”) should be limited to employees directly responsible for establishing and implementing  
27 demonstrable safety measures or improvements and employees performing work necessary to ensure  
28 the reliability of the Utility.

1 Related to this point, management employees should not be eligible for the STIP. The Motion  
2 states that “insiders” will not be eligible for the STIP. (Motion, pg. 12) However, the Motion’s  
3 definition of the term “insider” indicates that only the most senior level employees will be excluded  
4 from the STIP. San Francisco maintains that management employees, including, but not limited to  
5 “insiders”, as defined in the Motion, should be excluded from the STIP and that these higher paid  
6 employees should not be rewarded financially for the Debtors’ bankruptcy filing.

7 To help the Court, the committees and interested parties distinguish management employees  
8 from those employees directly responsible for instituting and implementing measures that contribute  
9 to public safety and electric grid reliability, the Debtor should provide information including, but not  
10 limited to: (i) anticipated payments under the STIP for eligible employees by title, department, salary  
11 and function; and (ii) how objective safety and reliability metrics correlate to STIP eligible  
12 employees’ positions.

13 San Francisco expressly reserves all rights to join in any further opposition of the Tort  
14 Committee to the Motion.

### 15 CONCLUSION

16 For the reasons stated herein, San Francisco joins in the Tort Committee Objection and  
17 requests that the Court require Debtors to provide the specific information on the STIP as set forth in  
18 this Joinder and such further requirements as the Court deems appropriate.

19 Respectfully submitted,

20 Dated: March 20, 2019

21 GREENE RADOVSKY MALONEY  
22 SHARE & HENNIGH LLP

23  
24 By: /s/ Edward Tredinnick

25 Edward J. Tredinnick  
26 Attorneys for Creditor,  
27 City and County of San Francisco  
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